IN THE MATTER OF	*	**BEFORE THE MARYLAND**
	*	
HOSPICE OF QUEEN ANNE'S, INC.	*	**HEALTH CARE**
	*	
and CARE HEALTH SERVICES, INC.	*	**COMMISSION**
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STAFF REPORT AND RECOMMENDATION
PROPOSED EXEMPTION FROM CERTIFICATE OF NEED REVIEW

I. INTRODUCTION

This matter involves a request by University of Maryland Shore Regional Health, Inc. ("Shore") and Hospice of Queen Anne's, Inc. ("HQA") for an exemption from Certificate of Need ("CON") review for a proposed consolidation anticipated in an Asset Purchase Agreement between HQA and Care Health Services, Inc., d/b/a Shore Home Care and Hospice ("CHSI"), a subsidiary of Shore.

HQA is a general hospice currently authorized to serve Queen Anne's and Kent Counties.[1] HQA proposes to purchase the hospice assets of CHSI. CHSI is comprised of two health care facilities: a general hospice authorized to serve Talbot and Caroline Counties; and a home health agency. This proposed transaction involves only the hospice assets. Care Health Services, Inc. will remain as a corporate entity, but, if and when the hospice assets are transferred to HQA, CHSI has informed staff that its trade name will be modified to Shore Home Care.

If the exemption is granted and the transaction is completed, HQA would expand its licensed authorization into Talbot and Caroline Counties, adding those counties to its currently authorized service area of Queen Anne's and Kent Counties. However, HQA's presence in Talbot County is intended to be temporary, and will cease if Talbot Hospice Foundation, Inc. is successful in obtaining a CON to establish itself as a general hospice and a license to provide general hospice services in Talbot County.

II. BACKGROUND

Consolidation Proposals

In October 2013, the Maryland Health Care Commission ("MHCC") granted an exemption from CON review that would have allowed the consolidation of the hospice services of two University of Maryland Shore Regional Health entities licensed as general hospices, Chester River Home Care and Hospice ("Chester River"), whose hospice operations were recently acquired by HQA, and CHSI, the subject of this transaction. If consummated, this arrangement would have formed a single general hospice serving four jurisdictions. However, following that approval, further discussions concerning the merger of hospice operations on the

[1] Hospice of Queen Anne's was authorized to serve only Queen Anne County prior to gaining authorization to serve Kent by acquiring the hospice assets of Chester River Home Health and Hospice.

Eastern Shore involving Shore, Talbot Hospice Foundation, and Caroline Hospice Foundation, led to a decision not to move forward with that consolidation plan.

However, subsequent discussions among those parties and HQA led to an alternate vision that would result in HQA consolidating with the hospice operations of Chester River (exempted from CON review by MHCC on July 17, 2014)) and CHSI, thus expanding HQA's service area for general hospice operations from Queen Anne's County into Kent, Talbot and Caroline Counties as well.

However, HQA's presence in Talbot County is intended by the parties to this agreement to be short-lived; Talbot Hospice Foundation has a CON application docketed for review which would – if approved – allow it to function as a general hospice in Talbot County. As part of the asset acquisition agreement with Shore, Hospice of Queen Anne's agreed to withdraw from serving patients in Talbot County if the CON application submitted by Talbot Hospice Foundation is approved and implemented.

Governing Regulations

Although the proposed transaction that is the subject of this exemption request is identified as a sale of CHSI's hospice assets to HQA, its objective is to establish a regional general hospice program able to serve Talbot and Caroline Counties, with HQA anticipated to be the only general hospice surviving the transaction. Therefore, satisfying this objective requires considering this transaction as a merger of two health care facilities, given that HQA has never been authorized by the Commission to serve Talbot or Caroline Counties and expanding the number of jurisdictions served by a general hospice requires Commission approval, either through a CON or – as in this case – through an exemption from CON for the merger of two health care facilities.

COMAR 10.24.01.04A provides that, "subject to the procedural requirements of this regulation, the Commission may exempt from the requirement of Certificate of Need review and approval" certain "actions proposed by a health care facility or merged asset system comprised of two or more health care facilities." Among those actions eligible for exemption from Certificate of Need requirements is the "merger or consolidation of two or more hospitals or other health care facilities, if the facilities or an organization that operates the facilities give the Commission 45 days written notice of their intent to merge or consolidate. This timeliness requirement has been met in this case.

The regulations, at COMAR 10.24.01.04E, direct the Commission to issue a determination of exemption from CON review to the health care facilities, if the facilities have provided the required information and the Commission finds that the proposed action:

(a) Is in the public interest;
(b) Is not inconsistent with the State Health Plan . . .; and
(c) Will result in more efficient and effective delivery of health care services.

III. Qualification for an Exemption from Certificate of Need Review

As previously noted, the regulations require that facilities or organizations requesting such an exemption give the Commission 45 days written notice and the facilities met this requirement. The name and location of each affected facility was identified. If the exemption request is approved, HQA will become the sole provider of hospice services. CHSI will surrender its general hospice license and will only maintain a license for and provide home health agency services following the transaction, which is anticipated to close after completion of MHCC's review. There are no outstanding public body obligations associated with these facilities.

IV. Notice by the Commission to the Public

On July 9, 2014, MHCC staff requested publication of a notice of receipt of the request for the exemption in *The Star Democrat*, *Times-Record*, and *The Record-Observer*. The notices were published in the above-referenced newspapers on July 11, 2014, July 16, 2014, and July 18, 2014, respectively. The notice was also published in the *Maryland Register* on July 25, 2014, as required. No comments were received in response to these notices.

V. Public Information Hearing

Since the current request involves the consolidation of hospice services and not hospital services, a public information hearing is not required.

VI. Determination of Exemption from Certificate of Need Review

As previously noted, COMAR 10.24.01.04E directs the Commission to issue a determination of exemption from CON review if the merged asset system has provided the required information and the Commission finds that the proposed action:

(a) Is in the public interest;
(b) Is not inconsistent with the State Health Plan . . . ; and
(c) Will result in more efficient and effective delivery of health care services.

A. The Public Interest

The proposed consolidation creates a hospice program with a larger service area base, enabling HQA to realize economies of scale in both fixed and variable costs (discussed more fully in section C below). Adding Caroline County (projected population of 33,900 in 2015) and Talbot County (population of 39,100) to the approximately 70,000+ combined population of Queen Anne's and Kent Counties will roughly double the service area population of HQA. Correspondingly, average daily census is projected to approximately double, reaching 75-82 patients. The population covered and average daily census would drop by about 39,000 and approximately 25, respectively, if and when HQA withdraws from Talbot County if Talbot Hospice Foundation is granted MHCC approval to establish itself as a general hospice.

To the extent that competition or more consumer choice is viewed as positive public interest factors, this transaction will not alter the level of competition or consumer choice currently available. Only one general hospice, CHSI, is currently authorized to serve Talbot and Caroline Counties, and only one general hospice, HQA, would serve these counties after the merger. If the Commission approves this exemption request and, later, also approves the CON application submitted by Talbot Hospice Foundation, such actions would, on their face, create the potential for two choices of hospice providers in Talbot County. As noted, however, HQA has agreed not to compete with Talbot Hospice Foundation ("THF") if it is approved to establish a general hospice serving Talbot County.

B. The State Health Plan

Commission Staff has reviewed this request for exemption from CON review and recommends that the Commission find that it is not inconsistent with the standards in the applicable State Health Plan ("SHP") chapter, the Hospice Services Chapter, COMAR 10.24.13 (the "Chapter"). In correspondence dated June 25, 2014 relating to an exemption request (granted on July 17, 2014) for a similar consolidation with the hospice services of Chester River Home Care and Hospice, HQA: (1) affirmed that it currently provides and will continue to provide the minimum services required by the Chapter; (2) documented that its current charity care and sliding fee scale, which it will continue to use, comply with the Chapter's requirements; and (3) demonstrated compliance with the Chapter's standards for quality assurance and public education. HQA has affirmed that information provided in relation to the earlier transaction has not changed.

The Appendix to this report reviews and comments on all of the project review standards in the Chapter with respect to this proposed consolidation. Staff concludes[2] that the consolidation is not inconsistent with the Chapter.

C. The Delivery of More Efficient and Effective Health Care Services

With respect to efficiency, HQA states that the proposed consolidation will reduce fixed costs as well as spread them over a larger clientele. HQA states that the proximity of Caroline and Talbot Counties to Queen Anne's and Kent Counties will allow a reduction in general hospice infrastructure from four offices to a single office in Centreville, when both this transaction and the previous transaction involving Chester River Home Care and Hospice are considered. HQA also believes that staffing economies will be realized, estimating that it will only need to increase staff by two full time nurses (from the current level of five) to expand into these counties, even as average daily census would increase by about 40 patients. HQA believes that current staffing levels in social work, certified nurse assistant services, and bereavement services can support the increased census. HQA says that current administrative staff levels can handle the billing, outreach, education, and clinical operations, post-consolidation. HQA asserts that it "(has) the infrastructure in place" for this expansion.

[2] As noted above, staff's analysis and recommendation relies upon information provided by HQA in the July 2014 Chester River exemption request as well as on HQA's responses to questions posed on the current request.

With respect to effectiveness, one indicator adopted in 2013 as a central factor in the Hospice Services Chapter's approach to qualifying jurisdictions for consideration of additional hospice program capacity is the jurisdiction's "use rate." This is defined as the ratio of all hospice deaths (deaths among persons enrolled as hospice patients) to all deaths among the population aged 35 and older. The Chapter shows that the Commission views greater levels of hospice use by terminally ill patients as positive, offering the potential for more effective symptom management and a better experience for patients and their families while also reducing expenditures for futile care or care that has a low marginal benefit relative to cost.

Because of the prevailing pattern of one hospice per jurisdiction in the Mid-Shore, these jurisdictional rates can potentially be viewed as reflecting the effectiveness of given general hospices in education and outreach to their service area population and to referral sources, in order to increase the receptivity to use of hospice care.

Hospice Use Rates, Selected Maryland Jurisdictions, 2007-2013

Jurisdiction	Hospice	2007	2008	2009	2010	2011	2012	2013
Caroline	CHSI	0.31	0.22	0.28	0.27	0.18	0.24	0.22
Kent	Chester River	0.20	0.27	0.28	0.33	0.31	0.36	0.34
Queen Anne's	HQA	0.31	0.37	0.43	0.42	0.44	0.47	0.40
Talbot	CHSI	0.32	0.33	0.34	0.37	0.39	0.39	0.46

Source: Hospice deaths: Annual Hospice Survey, MHCC; Population deaths; Vital Statistics Administration, DHMH (2013 data is preliminary)

The data on hospice use rates suggests that HQA's service area, Queen Anne's County, has been among the highest users of hospice care among Maryland's jurisdictions, ranking 7th highest among the State's 24 jurisdictions in the five-year period of 2008 to 2012 (excluding the preliminary use rate estimated for 2013). For this same time period, Talbot is at the State jurisdictional median use rate and Kent is in the third quartile, ranking 17th. Caroline County is viewed as under-using hospice services, ranking fourth from the bottom among Maryland's jurisdictions, based on the 2008-2012 average use rate. Because general hospices play a substantive role in influencing their service area populations to use hospice care, the insertion of HQA into Caroline County may have a positive effect on the demand for hospice care.

VII. CONCLUSION AND STAFF RECOMMENDATION

For the reasons set forth in this report, Staff recommends that the Commission **APPROVE** the proposed consolidation of the hospice services currently provided by HQA and CHSI. The resulting merged hospice will be authorized to serve the residents of Talbot, Caroline, Kent, and Queen Anne's Counties. Staff recommends that the Commission find this action to be **EXEMPT FROM CERTIFICATE OF NEED REVIEW, with the following condition:**

Care Health Services, Inc., d/b/a Shore Home Care and Hospice will provide evidence to the Commission that it has surrendered its license for the provision of hospice services in Caroline and Talbot Counties upon issuance by OHCQ of a modification to its license that permits the Hospice of Queen Anne's to provide hospice services in Caroline County and in Talbot County.

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	*	

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ORDER

The Maryland Health Care Commission, having reviewed and considered the information and analysis contained in the Staff Report and Recommendation, this 19th day of September, 2014 hereby

ORDERS that the request for exemption from Certificate of Need review filed by University of Maryland Shore Regional Health System and Hospice of Queen Anne's, Inc. for the consolidation of the two hospice services is hereby **APPROVED, with the following condition:**

Care Health Services, Inc., d/b/a Shore Home Care and Hospice will provide evidence to the Commission that it has surrendered its license for the provision of hospice services in Caroline and Talbot Counties upon issuance by OHCQ of a modification to its license that permits the Hospice of Queen Anne's to provide hospice services in Caroline County and in Talbot County.

MARYLAND HEALTH CARE COMMISSION

APPENDIX: CONSISTENCY WITH THE STATE HEALTH PLAN
Proposed Consolidation of Hospice of Queen Anne's, Inc. and Chester River Home and Hospice, LLC

The following review of the SHP standards from COMAR 10.24.13 includes comments on the standards at

COMAR 10.24.13.05 Hospice Standards. The Commission shall use the following standards, as applicable, to review an application for a Certificate of Need to establish a new general hospice program, expand an existing hospice program to one or more additional jurisdictions, or to change the inpatient bed capacity operated by a general hospice.

A. Service Area. An applicant shall designate the jurisdiction in which it proposes to provide services.

HQA, which currently serves Queen Anne's and Kent Counties, proposes to add Talbot and Caroline Counties as authorized jurisdictions. CHSI is currently the sole general hospice provider for both of these counties, but will surrender its general hospice license if the consolidation is approved. Talbot Hospice Foundation ("THF") and Caroline Hospice Foundation serve Talbot and Caroline Counties, respectively, with limited hospice services. HQA has stated that it would
HQA, which currently serves Queen Anne's and Kent Counties, proposes to add Talbot and Caroline Counties as authorized jurisdictions. CHSI is currently the sole general hospice provider for both of these counties, but will surrender its general hospice license if the consolidation is approved. Talbot Hospice Foundation ("THF") and Caroline Hospice Foundation serve Talbot and Caroline Counties, respectively, with limited hospice services. HQA has stated that it would withdraw from serving patients in Talbot County if the MHCC approves Talbot Hospice Foundation's pending CON application and THF is licensed as a general hospice in Talbot County.

B. Admission Criteria. An applicant shall identify:
(1) Its admission criteria; and
(2) Proposed limits by age, disease, or caregiver.

HQA's policy states that it provides in-home hospice services and will admit a patient only on the recommendation of its Medical Director in consultation with the patient's attending physician (if there is one). The hospice does not limit access to services based on age, disease process, caregiver support, or living environment. Its admissions policy states that HQA will periodically evaluate the eligibility requirements and limitations with the goal to increase access to hospice care in the community.

HQA's admission policy for its general inpatient program considers all applicants regardless of age, race, creed, gender, religion, sexual orientation, diagnosis or ability to pay. An interdisciplinary team consisting of HQA's Director of Clinical Services, Supervisor of Support Services, Clinical Liaison, and Medical Director work together in consultation with the patient's attending physician in arriving at admission decisions. HQA's financial department determines the fees based on the financial information provided by the patient.

C. Minimum Services.

(1) An applicant shall provide the following services directly:

(a) Skilled nursing care;

(b) Medical social services;

(c) Counseling (including bereavement and nutrition counseling);

(2) An applicant shall provide the following services, either directly or through contractual arrangements:

(a) Physician services and medical direction;

(b) Hospice aide and homemaker services;

(c) Spiritual services;

(d) On-call nursing response

(e) Short-term inpatient care (including both respite care and procedures necessary for pain control and acute and chronic symptom management);

(f) Personal care;

(g) Volunteer services;

(h) Bereavement services;

(i) Pharmacy services; COMAR 10.24.13

(j) Laboratory, radiology, and chemotherapy services as needed for palliative care;

(k) Medical supplies and equipment; and

(l) Special therapies, such as physical therapy, occupational therapy, speech therapy, and dietary services.

(3) An applicant shall provide bereavement services to the family for a period of at least one year following the death of the patient.

HQA affirmed, in information it filed with MHCC on June 25, 2014 and reaffirmed on August 18, 2014, that it directly provides the services at (C)(1) of this standard and directly or indirectly provides, through contractors, all of the services at (C)(2). It will continue to provide these services post-consolidation.

D. Setting. An applicant shall specify where hospice services will be delivered: in a private home; a residential unit; an inpatient unit; or a combination of settings.

HQA provides and will continue to provide all three levels of services specified in this standard. It operates a residential center that, in addition to providing "hospice house" services, was granted CON approval in July of 2012o provide general inpatient care.

E. Volunteers. An applicant shall have available sufficient trained caregiving volunteers to meet the needs of patients and families in the hospice program.

HQA stated that it directly provides training for its volunteers. With completion of the acquisition of the hospice assets of Chester River, the volunteer roster stood at 320 active volunteers. Going forward in this proposed consolidation, the plan is for Caroline Hospice Foundation to continue with its own volunteers for fundraising and office support. Patient care volunteers will be trained by and enrolled with HQA. The plan is a bit different in Talbot County during the interim period while Talbot Hospice Foundation seeks CON approval and State licensure as a general hospice provider. HQA will provide the core services and Talbot Hospice Foundation will provide all volunteer services to Talbot County residents in THF's assisted living facility as well as in patient homes.

F. Caregivers. An applicant shall provide, in a patient's residence, appropriate instruction to, and support for, persons who are primary caretakers for a hospice patient.

HQA is a licensed, Medicare-certified, and Joint Commission-accredited general hospice program that has been in operation for nearly 30 years. HQA affirmed that it provides support and instruction to primary caretakers for hospice patients.

G. Impact. An applicant shall address the impact of its proposed hospice program, or change in inpatient bed capacity, on each existing general hospice authorized to serve each jurisdiction affected by the project. This shall include projections of the project's impact on future demand for the hospice services provided by the existing general hospices authorized to serve each jurisdiction affected by the proposed project.

The impact of this consolidation would be to reconfigure the provision of hospice services in Talbot and Caroline Counties, with HQA replacing CHSI as the sole general hospice provider in those counties. Talbot Hospice Foundation and Caroline Hospice Foundation – both limited license hospices in their counties – were party to this negotiation.

H. Financial Accessibility. An applicant shall be or agree to become licensed and Medicare-certified, and agree to accept patients whose expected primary source of payment is Medicare or Medicaid.

HQA is and will continue to be licensed, Medicare-certified, and agreeable to accepting patients whose expected primary source of payment is Medicare or Medicaid.

I. Information to Providers and the General Public.

(1) General Information. An applicant shall document its process for informing the following entities about the program's services, service area, reimbursement policy, office location, and telephone number:

(a) Each hospital, nursing home, home health agency, local health department, and assisted living provider within its proposed service area;

(b) At least five physicians who practice in its proposed service area;

(c) The Senior Information and Assistance Offices located in its proposed service area; and

(d) The general public in its proposed service area. COMAR 10.24.13

(2) Fees. An applicant shall make its fees known to prospective patients and their families before services are begun.

HQA's website at www.hospiceofqueenannes.com provides a source of information on the hospice program, including the fees charged for both the routine hospice residential beds and the general inpatient hospice bed. In addition, HQA utilizes printed materials such as information cards, annual reports, newsletters, and presentations by staff before the community to inform the jurisdiction regarding its services.

J. Charity Care and Sliding Fee Scale. Each applicant shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to hospice services regardless of an individual's ability to pay and shall provide hospice services on a charitable basis to qualified

indigent persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

(1) Determination of Eligibility for Charity Care. Within two business days following a patient's request for charity care services, application for medical assistance, or both, the hospice shall make a determination of probable eligibility.

(2) Notice of Charity Care Policy. Public notice and information regarding the hospice's charity care policy shall be disseminated, on an annual basis, through methods designed to best reach the population in the hospice's service area, and in a format understandable by the service area population. Notices regarding the hospice's charity care policy shall be posted in the business office of the hospice and on the hospice's website, if such a site is maintained. Prior to the provision of hospice services, a hospice shall address any financial concerns of patients and patient families, and provide individual notice regarding the hospice's charity care policy to the patient and family.

(3) Discounted Care Based on a Sliding Fee Scale and Time Payment Plan Policy. Each hospice's charity care policy shall include provisions for a sliding fee scale and time payment plans for low-income patients who do not qualify for full charity care, but are unable to bear the full cost of services.

(4) Policy Provisions. An applicant proposing to establish a general hospice, expand hospice services to a previously unauthorized jurisdiction, or change or establish inpatient bed capacity in a previously authorized jurisdiction shall make a commitment to provide charity care in its hospice to indigent patients. The applicant shall demonstrate that:

(a) Its track record in the provision of charity care services, if any, supports the credibility of its commitment; and

(b) It has a specific plan for achieving the level of charity care to which it is committed.

HQA's policy addresses payment for reimbursed and unreimbursed services, and it will continue to use this policy post-consolidation. HQA's policy provides that it shall accept appropriate patients and their families regardless of their ability to pay for services. The policy states that HQA's financial team will make a determination of eligibility within two business days following a patient's request for charity care services and/or an application for medical assistance. A sliding scale and/or charity care option, based on the State of Maryland Poverty Scale, is available to patients with no insurance or insurance without a hospice benefit. A copy of this policy is posted in the business office and on the HQA website, located at www.hospiceofqueenannes.com. In addition, the hospice provides a copy of this policy with the admissions packets given to the patients. In the 2012 MHCC Hospice Survey, HQA reported that 0.6% of its patient days were provided without compensation. CHSI reported 1.7% of its patient days were charity/uncompensated care. Statewide in 2012, 0.94% of total hospice patient days were reported by hospices as uncompensated days, a broader category than charity care. Data for 2013 has not yet been aggregated. The survey was revised to provide a clearer picture of charity care provision.

K. Quality.

(1) An applicant that is an existing Maryland licensed general hospice provider shall document compliance with all federal and State quality of care standards. COMAR 10.24.13

(2) An applicant that is not an existing Maryland licensed general hospice provider shall document compliance with federal and applicable state standards in all states in which it, or

its subsidiaries or related entities, is licensed to provide hospice services or other applicable licensed health care services.
(3) An applicant that is not a current licensed hospice provider in any state shall demonstrate how it will comply with all federal and State quality of care standards.
(4) An applicant shall document the availability of a quality assurance and improvement program consistent with the requirements of COMAR 10.07.21.09.
(5) An applicant shall demonstrate how it will comply with federal and State hospice quality measures that have been published and adopted by the Commission.

In addressing this standard, HQA notes its status as a licensed and accredited general hospice of long-standing, its good compliance with State survey standards, and its active membership and staff participation in State and national hospice associations. It also reports the active oversight of quality by its Board of Directors and its active engagement in using the measurement and evaluation methods of Quality Assurance and Performance Improvement, as defined by CMS, and the national benchmarking program utilizing the Family Evaluation of Hospice Care Survey, led by a partnership of Deyta, LLC and the National Hospice and Palliative Care Organization. It reports that 46% of its clinical staff members are certified in hospice and palliative care and notes that a nurse educator plans its in-service training and chairs its Education Committee. HQA uses a Steering Committee of administrative and medical directors for quality, performance, and family satisfaction review, and has a consulting pharmacist who is nationally recognized as a leader in pain and symptom management.

HQA provided a copy of its Quality Assessment Performance Improvement Plan for 2014, and an evaluation of the hospice's performance in addressing improvement priorities for FY 2013. The stated purpose of the plan is ongoing and continuous measurement, assessment, and improvement of organizational performance and patient outcomes. The performance plan: defines the scope of the hospice program; delineates authority and responsibility; establishes the program structure; outlines the goals and objectives of the plan; prioritizes improvement initiatives; and describes the mechanism to assess performance, report findings, and initiate improvement activities. For FY 2013, HQA's Steering Committee evaluated the organization's performance and recommended improvement priorities to the Board of Directors, which then established the organization's performance improvement priorities for FY 2014.

L. Linkages with Other Service Providers.
(1) An applicant shall identify how inpatient hospice care will be provided to patients, either directly, or through a contract with an inpatient provider that ensures continuity of patient care.
(2) An applicant shall agree to document, before licensure, that it has established links with hospitals, nursing homes, home health agencies, assisted living providers, Adult Evaluation and Review Services (AERS), Senior Information and Assistance Programs, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

HQA directly provides inpatient care. It operates a residential center which, as previously noted, has been granted CON approval to provide general inpatient hospice services, in addition to hospice house services. HQA has long been licensed as a general hospice and has effectively functioned as the only hospice in Queen Anne's County. It has long-established links with the categories of health care, senior services, and social services identified in this standard. HQA states that it has strong relationships established with Anne Arundel Medical Center, Chester River Hospital, and University of Maryland Medical Center at Easton.

M. Respite Care. An applicant shall document its system for providing respite care for the family and other caregivers of patients.

As noted above, HQA operates a residential center which is serves as both a hospice house and as a general inpatient hospice facility. This center provides a system for providing respite care, subject to bed availability. Upon expansion into Kent County, HQA established contracts with area nursing homes to provide respite services. HQA states the intention to do this as well in Talbot and Caroline Counties.

N. Public Education Programs. An applicant shall document its plan to provide public education programs designed to increase awareness and consciousness of the needs of dying individuals and their caregivers, to increase the provision of hospice services to minorities and the underserved, and to reduce the disparities in hospice utilization. Such a plan shall detail the appropriate methods it will use to reach and educate diverse racial, religious, and ethnic groups that have used hospice services at a lower rate than the overall population in the proposed hospice's service area.

HQA reports providing public education through educational "offerings," education programs for health care providers, civic organizations, publication of a bi-annual newsletter, use of social media, its website, and print media. HQA cites outreach to all ethnic groups and the underserved as a priority.

O. Patients' Rights. An applicant shall document its ability to comply with the patients' rights requirements as defined in COMAR 10.07.21.21.

HQA advises its patients of the patient's rights and responsibilities both verbally and in writing. Patients' rights are delineated in a policy as well as in a document provided to the patient. Included in these rights is a process for the patient and family members to voice any complaints or problems regarding the service to members of the HQA team. This process includes who to contact at HQA, and at the Department of Health and Mental Hygiene, and at the Joint Commission. HQA complies with COMAR 10.07.21.21.

P. Inpatient Unit: In addition to the applicable standards in .05A through O above, the Commission will use the following standards to review an application by a licensed general hospice to establish inpatient hospice capacity or to increase the applicant's inpatient bed capacity.

(1) Need. An applicant shall quantitatively demonstrate the specific unmet need for inpatient hospice care that it proposes to meet in its service area, including but not limited to:

(a) The number of patients to be served and where they currently reside;

(b) The source of inpatient hospice care currently used by the patients identified in subsection (1) (a); and

(c) The projected average length of stay for the hospice inpatients identified in subsection (1) (a).

(2) Impact. An applicant shall quantitatively demonstrate the impact of the establishment or expansion of the inpatient hospice capacity on existing general hospices in each jurisdiction affected by the project, that provide either home-based or inpatient hospice care, and, in doing so, shall project the impact of its inpatient unit on future demand for hospice services provided by these existing general hospices.

(3) Cost Effectiveness. An applicant shall demonstrate that:

(a) It has evaluated other options for the provision of inpatient hospice care, including home-based hospice care, as well as contracts with existing hospices that operate

inpatient facilities and other licensed facilities, including hospitals and comprehensive care facilities; and

(b) Based on the costs or the effectiveness of the available options, the applicant's proposal to establish or increase inpatient bed capacity is the most cost-effective alternative for providing care to hospice patients. COMAR 10.24.13

This standard is not applicable to this exemption request. No new or expanded inpatient facilities are proposed as part of this consolidation of two hospices.